

Staff Summary Sheet

To	Action	Signature (Surname), Grade, Date	To	Action	Signature (Surname), Grade, Date
SAF/MI	APPR	<i>[Signature]</i> - 2/16/99	AF/CC	SIG	<i>S/Verely</i> - 24 Feb
Name and Surname of Action Officer		Symbol	Phone		Suspense Date
Maj John Coho		SAF/MIQ	693-9534		
Subject					SSS Date
AF Environment, Safety and Occupational Health (ESOH) Committee Meeting Minutes					12 Feb 99

Summary

1. Purpose. AF/CVA signature on the minutes of the 28 Jan 99, ESOH Committee meeting.

2. Recommendation. SAF/MI approve and AF/CVA sign the proposed memo at Tab 1.

THOMAS W. L. MCCALL, JR.
 THOMAS W. L. MCCALL, JR.
 Deputy Assistant Secretary
 of the Air Force
 (Environment, Safety and
 Occupational Health)
 697-9297

Tab

28 Jan 99 ESOHC Minutes

[Signature]

99 01038



DEPARTMENT OF THE AIR FORCE

OFFICE OF THE CHIEF OF STAFF

WASHINGTON, DC

02 MAR 1999

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Air Force Environment, Safety and Occupational Health Committee (ESOHC)
Meeting Minutes

The AF ESOHC met 28 Jan 1999. Ms. DeMesme, Assistant Secretary of the Air Force for Manpower, Reserve Affairs, Installations and Environment (SAF/MI) and Lt Gen Vesely co-chaired the meeting. The focus of the meeting was "Operationalizing ESOH." Individuals attending from offices with required membership were as follows:

HQ USAF/IL	None	SAF/GC	None
HQ USAF/ILV	Col Mamaux	HQ USAF/SG	MGen Mabry
HQ USAF/ILE	Mr. Aimone, SES	HQ USAF/RE	Col Koepp
HQ USAF/ILM	Mr. Koenig	HQ USAF/XI'	Ms. Robinson
HQ USAF/IG	Col Lee	SAF/LL	MGen Hester
HQ USAF/SE	MGen Gideon	HQ USAF/JA	MGen Egeland
NGB/CF	BGen McKinley	SAF/FM	BGen Odgers
SAF/IA	BGen DeWolf	SAF/FMC	Mr. Kammerer, SES
SAF/AQR	Mr. Bradley	SAF/PA	Col Whi taker
SAF/DP	Col Tindell	AFBCA/DR	Mr. Lowas, SES
I-IQ USAF/SC	BGen Bell	HQ USAF/X0	Col Pease

Opening Remarks

Ms. DeMesme opened with a welcome to all. She stated that the ESOHC is the key forum for establishing effective cross-functional partnerships between support and operational organizations to resolve environment, safety and occupational health (ESOH) issues driven by Air Force operations. She echoed comments made by the Chief and the Secretary emphasizing the importance of meeting the demands of the present while driving down support costs to allow leaders to reallocate scarce resources toward readiness and modernization. Lt Gen Vesely's comments focused on "operationalizing" ESOH by more closely integrating ESOH support organizations with warfighter operations. He emphasized the importance of operational-support partnering to ensure the most effective use of Air Force resources. Lt Gen Vesely also emphasized that ESOH is a Commander's program, and that managers are responsible for the ESOH performance of the systems and processes under their control.

Operationalizing ESOH

Mr. McCall, SAF/MIQ, stated the importance of the ESOIHC as a decision-making forum in which the senior leadership recommends actions to resolve important Air Force issues with ESOI-I ramifications. He reviewed the evolution of the ESOHC focus over the past three years and discussed the importance of operationalizing ESOH as the overall theme for this year's ESOHC. Operationalizing ESOH is the process of actively integrating ESOH considerations into the day-to-day business of Air Force operators -the personnel and organizations directly responsible for acquiring, operating and maintaining our weapon systems. The ESOHC will provide leadership

direction for operationalizing ESOH by focusing on three topics: force safety and health protection, airspace and ranges, and reducing total ownership cost (TOC) to support modernization. Specific issues under these broad topic areas include disease and non-battle injuries (DNBI), conventional and unconventional munitions safety, range acquisition and renewal, and reduction of ESOH-driven costs in support of overall efforts to reduce TOC.

Reducing Overhead Costs in Air and Space Power

Col Drawbaugh briefed the methodology and results of an Air Force case study in the application of Integrated Computer Aided Manufacturing Definition (IDEF) modeling and Activity Based Costing (ABC). The case study was initiated to fulfill an ESOHC tasking to SAF/MIQ and AF/XP. The Air Force Center for Quality and Management Innovation (AFCQMI) conducted the case study at a T-38 corrosion control shop at Randolph AFB in late FY98 for a total cost of \$22K. The T-38 repaint/paint process was modeled and costs were assigned to each activity in the process through interviews of process managers, workers and support personnel. The study provided new insight into the process by clearly showing cost categories, distribution of costs, and interrelationships among the steps of the process.

The T-38 case study demonstrated the utility of IDEF/ABC in revealing previously “hidden” costs, such as ESOH and other overhead costs, along with the flexibility to manipulate cost and process data to meet the needs of process managers and support organizations. It also demonstrated the utility of IDEF modeling coupled with ABC in identifying targets for cost savings as well as establishing a cost baseline from which change can be measured effectively. Col Drawbaugh closed his brief with recommendations to pursue follow-up studies and transition of the IDEF/ABC methodology to Air Staff and MAJCOMs. He stated that MIQ would brief the ESOHC in three months on the results of the recently initiated second case study at Warner Robins ALC with support from HQ AFMC/CV (Lt Gen Cranston) (990 1.1). Col Drawbaugh also stated that MIQ plans to propose a metric on reduction of ESOH-driven costs to the ESOHC in six months (990 1.2). The ESOHC accepted all recommendations, and supported the WR-ALC case study.

Discussion

Lively discussion ensued among the ESOHC membership on the IDEF/ABC process and how it may be employed in the Air Force. Lt Gen Vesely pointed out the need for cost identification and cost tracking to measure the effectiveness of cost-based management actions. BGen Bell (HQ USAF/SC) suggested the T-38 case study be made available to others in the Air Force to begin developing a knowledge-base for IDEF/ABC. BGen DeWolf (SAF/IA) recommended that AF/XP direct AFCQMI to incorporate ABC analysis into future efforts to identify the Most Efficient Organization as part of A-76 studies (990 1.3).

MGen Mabry (HQ USAF/SG) touted the study as a very good first step toward identifying and using cost information to improve our products and services. He also emphasized the importance of maintaining or improving the quality of products and services when taking actions to reduce costs.

MGen Gideon (HQ USAF/SE) voiced caution that proper implementation of the IDEF/ABC process would involve a learning curve and a substantial effort from both operational and support organizations. Lt Gen Vesely agreed with MGen Gideon and pointed out the need for AFCQMI and ESOH organizations across the Air Force to prepare to support acquisition, operational, and maintenance process improvement and cost reduction efforts (9901.4).

BGen Odgers (SAF/FM) stated that the Air Force lacks the accounting systems necessary to support widespread and uniform application of the IDEF/ABC process. Further, he advocated a methodical approach to selection and prioritization of Air Force processes for IDEF/ABC evaluation and the fundamental importance of common data item definitions across the Air Force. BGen McKinley (NGB/CF) suggested the ESOHC follow-up on NGB and HQ ACC teaming on similar efforts (9901.5). MGen Mabry noted that implementation of IDEF/ABC will take a substantial investment in time and effort, but he believes the requirement to document and reduce costs is inevitable because external forces (Congress, the public, etc.) are driving all government agencies toward greater accountability.

BGen Odgers asked about Randolph AFB's plans for follow-on actions to reduce the costs identified in the T-38 study. Col Drawbaugh replied that AETC is considering evaluating a similar corrosion control process at Columbus AFB to gain insight on the relative efficiencies of similar processes at two installations. Mr. McCall noted that HQ AETC/LG is looking into cost reductions in the T-38 depainting and painting processes.

Lt Gen Vesely stated that IDEF/ABC is a great tool that should be applied using a process to identify the best opportunities for reduced cost and improved performance. He closed the discussion noting that the benefits of IDEF/ABC application will only be realized if commanders and managers take appropriate follow-on actions.

Approval of Action Items from Previous ESOHC Meetings

As a result of the lively discussion following Col Drawbaugh's IDEF/ABC brief, the Committee ran short of time to address status recommendations on previous ESOHC action items. / These action items and recommendations will be addressed at the next ESOHC meeting.

Summary of New Taskings

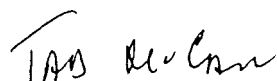
ESOHC Task Number	OPR*	Task Description
9901-1	TBD	Brief ESOHC on results of WR-ALC IDEF/ABC case study. Suspense: 28 Apr 99
9901-2	TBD	Propose to ESOHC a metric on reduction of ESH-driven costs. Suspense: 28 Jul 99
9901-3	TBD	Incorporate ABC analysis into future A-76 efforts to identify Most Efficient Organizations.
9901-4	TBD	Prepare plans to mobilize MAJCOM and FOA personnel to support acquisition, operations, and maintenance process improvement and cost reduction efforts.
9901-5	TBD	Benchmark on NGB-HQ ACC efforts to determine potential for collaboration on IDEF/ABC efforts.

* OPRs for each of the tasks listed above will be determined by the ESOHC at the next meeting, which is currently scheduled for 24 Feb 99.

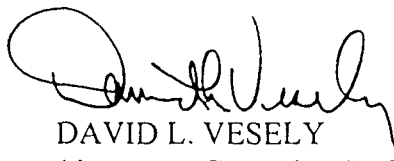
Closing Remarks

Lt Gen Vesely closed the meeting focusing on recently published Air Force Policy Directive (AFPD) 90-8, *Environment, Safety and Occupational Health*. He stated that AFPD 90-8 is the policy foundation for operationalizing ESOH and that implementation of AFPD 90-8 is the key to identifying and reducing operational and ESOH costs and risks. Referring to a slide listing the goals of AFPD 90-8, in particular the “Four Zeros,” he said that he was initially skeptical of the attainability of these goals¹. However, after seeing that the entire US commercial airline industry had zero fatalities in 1998, he concluded that such goals are indeed attainable. He presented a final slide showing the Air Force’s outstanding progress toward the goal of zero open enforcement actions as proof that goals that may initially seem unattainable can be reached given strong leadership support. Prior to turning the meeting over to Ms. DeMesme, Lt Gen Vesely stated that the AFPD’s goals are “rock-solid” and achievable, and that our efforts to achieve them will help the Air Force reduce operating costs and improve performance.

Ms. DeMesme's closing remarks emphasized the need for greater integration of support organizations with the warfighters. She believes that all parts of the Air Force must share common goals if we’re to remain the world’s premier air and space force. She acknowledged that the goals in AFPD 90-8 will be difficult to attain, but that our efforts to achieve these goals will form closer and more effective working relationships among Air Force ESOH personnel and the warfighters.



THOMAS W. L. MCCALL, JR.
Deputy Assistant Secretary
of the Air Force
(Environment, Safety and
Occupational Health)



DAVID L. VESELY
Lieutenant General, USAF
Assistant Vice Chief of Staff

Attachment:
Briefing Charts

¹ The “Four Zeros” comprise four of the six goals of AFPD 90-8. As listed in Section 2.1 of the AFPD, the Four Zeros are zero enforcement actions, zero occupational injuries and illnesses, zero disease and non-battle injuries (DNBI) related to contingency operations, and zero loss of government resources through mishaps. The other two goals of AFPD 90-8 are sustainable use of installations and ranges, and reduced pollutant emissions through pollution prevention investment.

DISTRIBUTION':

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HQ USAFA/CV/CE/JA/LG/SE/SG/DP

AIR FORCE ENVIRONMENT, SAFETY, AND OCCUPATIONAL HEALTH
COMMITTEE

AGENDA

28 JAN 99, 1000 HOURS
PENTAGON, 5C1042

Opening Remarks

- | | |
|--------------------|-------|
| 1. Hon Ms. DeMesme | 5 Min |
| 2. Lt Gen Vesely | 5 Min |

Briefings

- | | |
|---|--------|
| 1. Operationalizing ESOH
Mr McCall, SAF/MIQ | 10 Min |
| 2. ESOH Cost Visibility
Col Drawbaugh, SAF/MIQ | 25 Min |

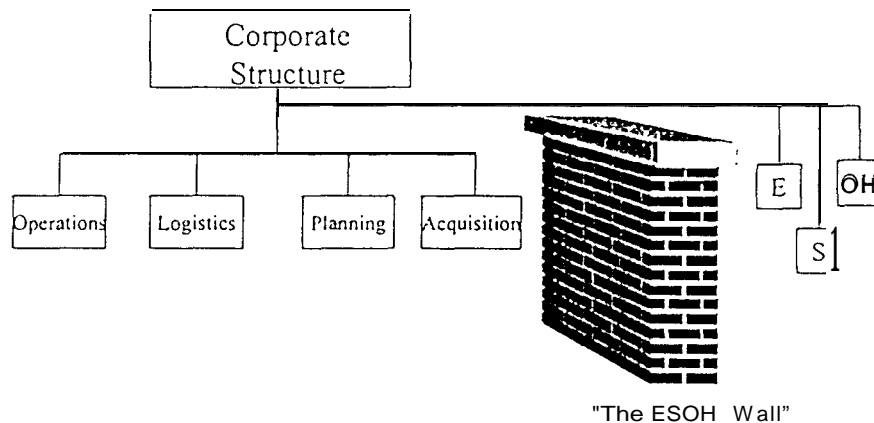
Discussion as Necessary/Approval of Action Items

Closing Comments	5 Min
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Traditional ES OH View

ESOH is often viewed as a “necessary stewardship” ...



How do we Operationalize ESOH?

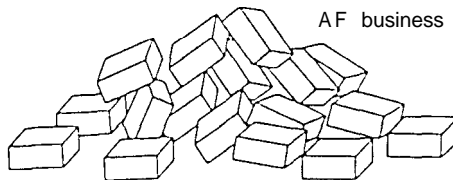
Breaking down the “ESOH Wall”

operators

- ✓ Make managers accountable for ESOH performance
- ✓ Build understanding of strategic ESOH management issues
- ✓ Integrate ESOH into business strategy

ESOH Staff

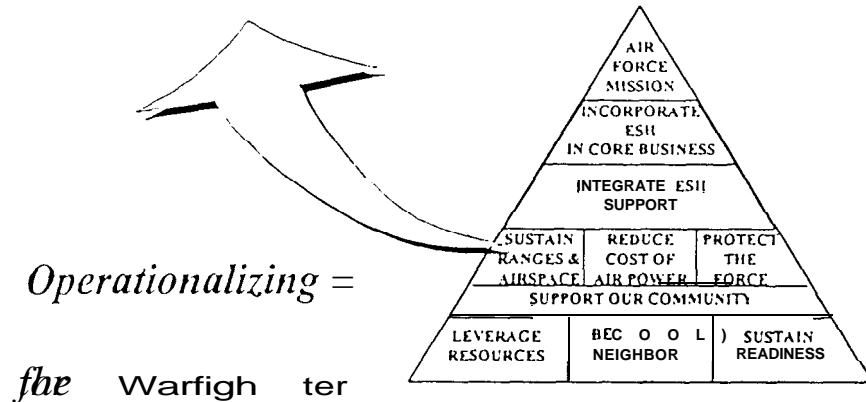
- ✓ Pursue cooperative initiatives – ESOH staff w/ operators
- ✓ Provide better service; be more responsive to customer needs
- ✓ Manage ESOH functions to complement operational functions
- ✓ Align ESOH costs and benefits with AF business strategy/operations





Environment,
Safety and
Occupational Health
Committee

1999: *The Year of "Operationalizing" ESOH*



Environment,
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. 1999 Committee Key ESOH Topics

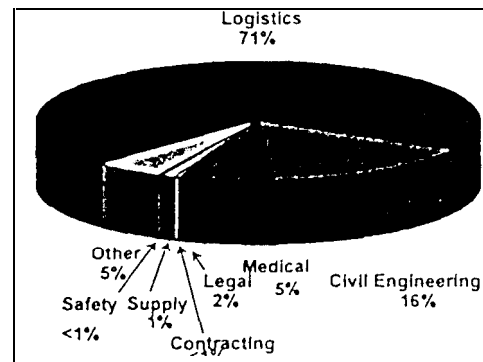
- Force Health Protection
- Airspace & Ranges
- Identify Cost Reduction Opportunities to Help Force Modernization



Environment,
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Identify Cost Reduction Opportunities to Help Force Modernization:

- Measure & Reduce
ESOH-Driven
Overhead Costs



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- Goldwater-Nellis, 70% of Training Area
- Munitions Safety
- Disease and Non-Battle Injury
- Reduction in ESH-driven costs

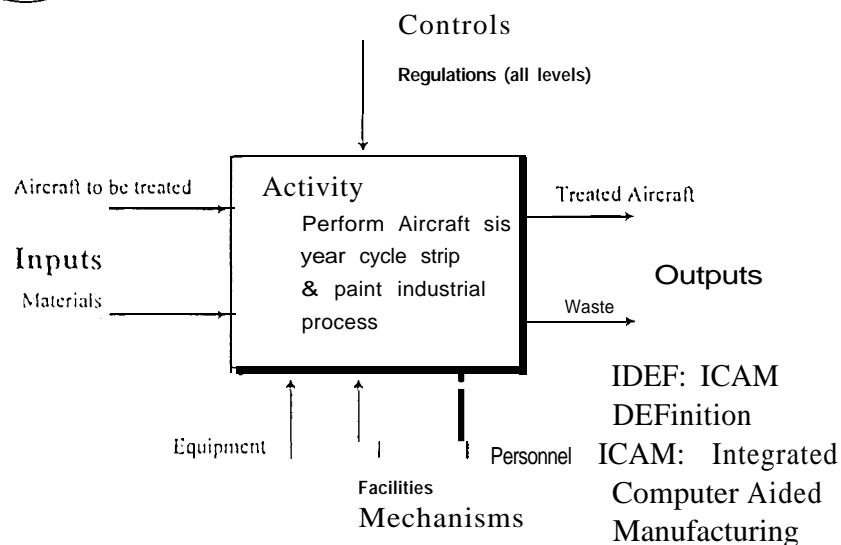


Briefing Purpose

- Follow-up brief to ESOH Committee
- **“Demonstrate the feasibility and utility of activity-based costing in decision-making”**
 - » Improved cost visibility is critical to the new emphasis on costs in Air Force ESOH Policy



ABC Background: The Activity Block





Introduction

- First of 2 Pilot Studies (Second at WR-ALC)
 - » T-38 Depaint/Paint
 - » AFCQMI' Pilot
 - Modeled the Depaint/Paint Process
 - Established the Costs of Activities
 - Identified Who Pays Costs

'AF Center for Quality & Management Innovation (AFCQMI)



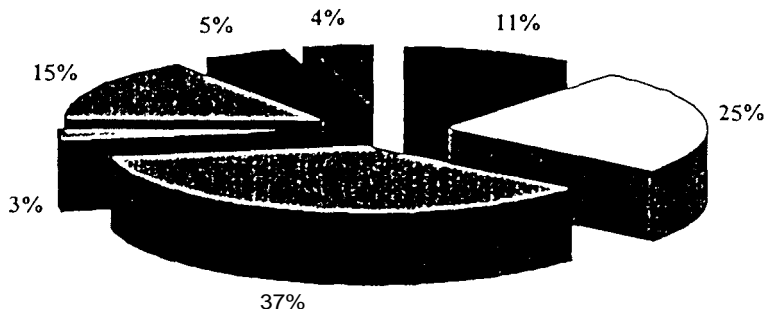
Introduction

- AFCQMI Personnel Conducted
 - » Cost \$22K
 - » Standard Software (Easy ABC & IDEF)
- Interviewed & Collected Data:
 - » Logistics - Contracting, HazMart, Supply, Maintenance Resource Advisor
 - » CE-Facility Maintenance, Environmental, Fire
 - » Other-Medical, Ground Safety, Judge Advocate, Personnel



Cost of Depainting

IDEF Nodes



Total Cost: \$192,063
Unit Cost: 16,005

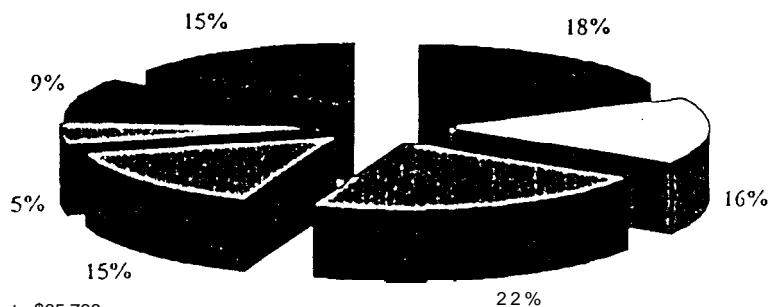
T-38 Randolph 1998

- | | |
|--|---|
| ■ Manage Dcpaint Shop (11%) | □ Prepare Aircraft for Depaint (25%) |
| ■ Blast Aircraft (37%) | ■ Clean Aircraft (3%) |
| ■ Undo Aircraft Prep (15%) | ■ Gather/Dispose of Spent Material (5%) |
| ■ Overhead Not Assigned to Activities (4%) | |



Cost of Painting

IDEF Nodes



Total Cost: \$65,766
Unit Cost: \$13,153

T-38 Randolph 1998

- | | |
|---|---|
| ■ Manage Paint Shop (18%) | □ Prepare Aircraft for Paint (16%) |
| ■ Apply Protective Coating (22%) | ■ Apply Special Markings (15%) |
| ■ Undo Aircraft Prep (5%) | ■ Gather/Dispose of spent Material (9%) |
| ■ Overhead Not Assigned to Activities (15%) | |



Conclusions

- Demonstrated Benefits of ABC
 - » Revealed the ESOH costs hidden from the line-item cost view
 - » Activity Data Easily Manipulated, e.g.,
 - Breakout by ESOH-Driven Costs
 - Breakout by LG vs. Non-LG Costs
 - Can Run "What ifs..." What if normal workload?



Conclusions

- Benefits of ABC (cont'd)
 - » Identified potential targets for cost savings
 - Personal Protective Equipment
 - HazMat Processing
 - Workload Distribution
 - » Established cost baseline which will serve as a foundation from which change can be effectively measured



Recommendations

- Brief ESOH Committee in 3 Months on:
 - » ALC Study Results
 - » Other Follow-ups Being Conducted
- Brief ESOH Committee in 6 Months on:
 - » Recommendation on Metric for Reducing ESH-Driven Cost Reduction (IL-MIQ, XP)



Environment,
Safety and
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Committee

Number of Open Enforcement Actions

